




MEMORANDUM

TC

Agenda Item No. 3(D)

TO: Honorable Chairperson Barbara Carey Shuler, Ed.D. and Members, Board of County Commissioners **DATE:** July 22, 2004

FROM: George M. Burgess
County Manager  **SUBJECT:** First Amendment to the Bus Passenger Shelter Contract for Unincorporated Miami-Dade County

RECOMMENDATION

It is recommended that the Board approve this First Amendment to the contract for the provision of bus passenger shelters in unincorporated Miami-Dade County, Contract TA01-BS3, with Cemusa Miami, Ltd., to allow advertising of products containing alcohol except within one quarter mile of schools, houses of worship, hospitals, or addiction treatment centers.

This item was presented to the Transportation Committee on June 17, 2004 and was deferred to the July 22, 2004 Committee meeting pending further information on the need for this amendment and the potential for increased revenues to the County. This information is included below.

BACKGROUND

On July 23, 2002, as a result of an RFP process, the Board awarded Contract TA01-BS3 through Resolution No. R-836-02 to Cemusa Miami, Ltd. After a lengthy testing process and several design changes, the Notice to Proceed was issued in October 2003. Under the terms of this Contract, the Contractor is required to construct and maintain bus passenger shelters in the public right-of-way at bus stops throughout unincorporated Miami-Dade County. Additionally, the Contractor is given the right to sell and display advertising on the shelters and, in return, pay to the County a minimum guarantee or a percentage of the revenues, whichever is greater.

The contract, as it is currently written, prohibits the display of advertisements for the sale of products containing alcohol or tobacco. This First Amendment would permit the advertising of products containing alcohol except within one quarter mile of schools, houses of worship, hospitals or addiction treatment centers. The advertisement of alcohol products constitutes a very significant portion of the national market for bus passenger shelter advertising. Cemusa proposed the original Minimum Annual Guarantee with information provided by the Outdoor Advertising Association of America (OAAA) for the size of the overall market and the size of the alcohol market. Their figures were based on a 10% market share for alcohol in the Outdoor market. However, Cemusa's own studies and the latest figures from OAAA indicate that the alcohol outdoor market in Miami-Dade is over 40%.

This is a significant difference for Cemusa. The problem is rooted in the nature of the Outdoor advertising market. Media buyers approach Cemusa with contracts for a portfolio of client companies. Because the media buyers represent these portfolio groupings of customers (virtually all of which include alcohol vendors), buyers are not eager to do business with a shelter company that excludes these portions of their

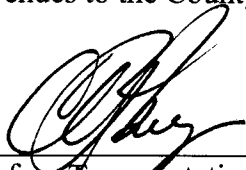
portfolios, preferring to deal with one company in a market that can provide a complete advertising service for all of their customers.

The prohibition on this type of advertising has made it difficult for Cemusa to successfully sell lucrative, national advertising. Limitations on alcohol advertising are putting Cemusa at a disadvantage in the South Florida advertising market, as all other companies selling outdoor advertising in South Florida are allowed to advertise alcohol. Specifically, the Cities of Miami, Miami Beach and Hialeah allow this type of advertising, providing media buyers with significant alternative outlets for advertising in the area. It is important to note that for the past 22 years, the County's previous shelter contractors were allowed alcohol advertising without any restrictions on school zones, houses of worship, hospitals, or addiction treatment facilities. With alcohol advertising, Cemusa will be able to greatly enhance its occupancy rates.

The outdoor advertising market for alcohol is very large in the US, representing over \$186 million per year. Having access to this market will help bring in national advertisers who carry the more sophisticated and aesthetically developed advertising campaigns, along with the largest spending budgets for outdoor advertising. The alcohol outdoor market in the South Florida Designated Marketing Area is \$16 million. Currently, about 15% or \$2.4 million is spent on shelters. Unincorporated Miami-Dade County represents 66% of that market, or \$1.8 million. If Cemusa is allowed to tap this market, potential sales could be increased by \$1.8 million. This, in turn, would have the potential of increasing the County's revenue by \$504,000 per year. Consequently, MDT recommends that the contract be amended to lift the prohibition and allow Cemusa to better compete in this market, thus increasing the revenues to be shared with the County.

FISCAL IMPACT

There will be no cost to the County as a result of this amendment. The potential exists for increased revenues to the County's share of advertising revenues totaling approximately \$504,000 per year.

 6/29/04

Surface Transportation Manager



MEMORANDUM

(Revised)

TO: Hon. Chairperson Barbara Carey-Shuler, Ed.D.
and Members, Board of County Commissioners

DATE: September 9, 2004

FROM: 
Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No.

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No.

RESOLUTION NO. _____

RESOLUTION AUTHORIZING EXECUTION OF A FIRST
AMENDMENT TO CONTRACT TA02-BS3 WITH CEMUSA
MIAMI, LTD. FOR PROVISION OF A BUS PASSENGER
SHELTER PROGRAM FOR UNINCORPORATED MIAMI-
DADE COUNTY; AND AUTHORIZING THE COUNTY
MANAGER TO EXERCISE THE PROVISIONS CONTAINED
THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the
accompanying memorandum, a copy of which is incorporated herein by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY
COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board
approves this First Amendment to the contract between Miami-Dade County and Cemusa
Miami, Ltd. to provide a bus passenger shelter program for unincorporated Miami-Dade
County in substantially the form attached hereto and made a part hereof; and authorizes
the County Manager to execute same for and on behalf of Miami-Dade County, and to
exercise the provisions contained therein.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson	
Katy Sorenson, Vice-Chairperson	
Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorin D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 9th day of September, 2004. This Resolution and contract, if not vetoed, shall become effective in accordance with Resolution No. R-377-04.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency, B. L.

By: _____
Deputy Clerk

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**Between
Miami-Dade County
And
Cemusa Miami, Ltd.**

WITNESSETH

IN WITNESS WHEREOF, the parties hereto have caused this first Amendment to CONTRACT to be executed as of the date first above written.

CEMUSA MIAMI, LTD..

ATTEST:

BY: _____

Name: Toulla P. Constantinou

Title: Chief Executive Officer

BY: _____

Name: _____

Title: _____

(Seal)

ATTEST:

MIAMI-DADE COUNTY, a
political Subdivision of the State of
Florida

HARVEY RUVIN, CLERK

By Its Board of County
Commissioners

BY: _____

Deputy Clerk

BY: _____

County Manager

Approved as to form
and legal sufficiency _____